



FISCAL MEMORANDUM

SB 2174 - HB 2294

March 9, 2022

SUMMARY OF BILL AS AMENDED (015323): Encourages each local education agency (LEA) and public charter school to require students in each of the grades six through eight (6-8) to complete a financial literacy course that is age and grade appropriate. Requires the Department of Education (DOE), in consultation with the Tennessee Financial Literacy Commission (TFLC), to provide each LEA and public charter school with a variety of age and grade appropriate resources that may be used to implement the financial literacy instruction.

FISCAL IMPACT OF BILL AS AMENDED:

Increase Local Expenditures –

Up To \$21,445,600/FY22-23/Permissive

**Up To \$15,667,600/FY23-24 and Subsequent Years/
Permissive**

Assumptions for the bill as amended:

- The proposed legislation encourages LEAs and public charter schools serving students in grades 6-8 to provide a financial literacy course.
- An LEA that chooses to provide a financial literacy course will need to acquire instructional materials and qualified teachers.
- There are currently no in-state providers that offer financial literacy training for teachers.
- DOE will need to coordinate with current training providers or identify new training providers that can offer financial literacy training for teachers in grades 6-8.
- There are 428 middle schools serving students in grades 6-8 across the state and it is unknown how many teachers have endorsements to teach financial literacy.
- It is assumed that each LEA that chooses to provide a course in financial literacy will hire one additional teacher per every two middle schools (or one halftime teacher per school) to teach a financial literacy course. The average classroom salary for FY20-21 was \$52,871.
- If each LEA chooses to provide a financial literacy course, there will be a recurring permissive increase in local expenditures of \$15,667,582 [(\$52,781 salary + \$20,432 benefits) x .5 teacher position x 428 schools] in FY22-23 subsequent years.
- It is estimated that personal finance textbook curriculum costs \$150 (\$100 text book + \$50 additional digital products).
- Each middle school will be required to purchase a classroom set of curricula in financial literacy for each grade 6-8.

- The one-time permissive increase in local expenditures is estimated to be up to \$5,778,000 ($\$150 \times 30 \text{ books} \times 3 \text{ grade levels} \times 428 \text{ schools}$) in FY22-23.
- The total permissive increase in local expenditures is estimated to be up to \$21,445,582 in FY22-23 ($\$15,667,582 + \$5,778,000$) and \$15,667,582 in FY23-24 and subsequent years.
- DOE will be able to obtain support and resources in in financial literacy from TFLC. According to the TFLC 2021 Annual Report, in 2020, "TFLC raised \$269,500 to go towards providing financial literacy training and resources to educators in every region of Tennessee at no cost to the teacher or district."
- TFLC launched a new middle school financial education initiative in 2021 to provide resources, materials, activities, and methods for embedding relevant and engaging financial education into their courses.
- DOE will be able to determine teacher requirements in financial literacy and develop course standards subject to the State Board of Education's (SBE's) approval within existing resources and during the normal course of business. Any impact to DOE and SBE is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/ah